

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6977**

**BILL NUMBER:** HB 1290

**NOTE PREPARED:** Dec 28, 2010

**BILL AMENDED:**

**SUBJECT:** Property tax levy appeal for emergencies.

**FIRST AUTHOR:** Rep. Smith M

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill provides that an unanticipated emergency for property tax levy appeal purposes includes an economic downturn that has caused an unanticipated increase in the amount of township assistance being paid by a township and permits such a township to make a property tax levy appeal to the Department of Local Government Finance (DLGF).

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** Under current law, a civil taxing unit may appeal to the DLGF for an increase in the unit's maximum levy if the taxing unit cannot carry out its governmental functions due to a natural disaster, an accident, or another unanticipated emergency.

Beginning with taxes payable in CY 2012 under this bill, an economic downturn that has caused an unanticipated increase in township assistance expenditures would be considered to be an unanticipated emergency.

There could be an increase in the number of townships that petition the DLGF for additional levy authority under this bill. The total increase in levies under this bill would depend on local decisions about whether to

appeal and on the DLGF's determinations of allowed increases. Increased levies in townships where circuit breaker credits have been triggered could also cause an increase in circuit breaker credits for all taxing units.

**State Agencies Affected:** Department of Local Government Finance.

**Local Agencies Affected:** Civil taxing units and school corporations.

**Information Sources:**

**Fiscal Analyst:** Bob Sigalow, 317-232-9859.